## IN THE CLAIMS

1	1. A state-varying hybrid stream cipher operating within a computing device,		
2	comprising:		
3	a first software routine to divide incoming plain text into variable-sized blocks; and		
4	a second software routine to convert the plain text into cipher text based on an encryption		
5	key, an internal identifier and an internal state of the computing device.		
1	2. The state-varying hybrid stream cipher of claim 1, wherein the first software		
2	routine produces the variable-sized blocks based on the encryption key, the internal identifier and		
3	an output of a first non-linear function.		
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1	3. The state-varying hybrid cipher of claim 2, wherein each current block of the plain		
2	text is determined by (i) producing a pseudo-random sequence using a second non-linear function		
3	including the encryption key, the internal identifier and the output of the first non-linear function		
4	as inputs and (ii) accessing contents of the pseudo-random sequence as a number of data		
5 elements of the plain text forming the current block.			
1	4. The state-varying hybrid cipher of claim 1 further comprising:		
2	a third software routine to determine if a plurality of random data elements are to be		
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1	5. The state-varying hybrid cipher of claim 4 further comprising a fourth software		
2	routine to perform a first shuffling operation on the internal state of the computing device based		
3	on the encryption key so that a single bit modification of the encryption key requires complete		
4	recalculation of the internal state of the computing device used to encrypt the random data		
5	elements.		
1	6. The state-varying hybrid cipher of claim 4, wherein the second software routine		
2	further performs a second shuffling operation on the internal state of the computing device prior		
2	to ensure the rendered data elements based on the encryption key and the internal identifier to		

mitigate a likelihood of prediction of the internal state of the computing device upon knowledge 4 5 of the encryption key. 7. The state-varying hybrid cipher of claim 4, wherein the third software routine 1 determines a statistical amount of random data elements distributed within the cipher text is 2 3 programmable based on a percentage value entered by a user. 8. The state varying hybrid cipher of claim 7, wherein the distribution of random 1 data elements within the cipher text is based on the encryption key, the internal identifier and 2 3 internal state of the computing device. 1 9. The state-varying hybrid cipher of claim 1 further comprising a third software 2. routine to distribute error correcting codes in the cipher text in order to correct modifications. 1 10. The state-varying hybrid cipher of claim 1, wherein the internal state of the 2 computing device is periodically modified. 1 11. The state-varying hybrid cipher of claim 1, wherein the internal state of the 2 computing device is based on a time value. 12. A computing device comprising: 1, 2 a memory; and 3 logic to perform a state-varying stream cipher operation, controlled by at least an 4 encryption key and an internal state of the computing device, on input data segmented in random sized blocks. 5 1 The computing device of claim 12, wherein the stream cipher operation involves 13. 2 encryption.

1	14.	The computing device of claim 12, wherein the logic is an integrated circuit.	
1	15.	The computing device of claim 12, wherein the internal state of the computing	
2	device varies over time.		
1	16.	The computing device of claim 15, wherein the variation of the internal state of	
2	the computing device is periodic being set at a time that an encryption process begins for each		
3	block of input data.		
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1	17.	The computing device of claim 12, wherein the computing device is a smart card.	
1	18.	The computing device of claim 15, wherein the logic of the computing device is	
2	an operating system.		
1	19.	A method for decrypting input data using a combination of stream cipher and	
2	block cipher functionality, comprising:		
3	receiving as input a cipher text, a decryption key, a percentage of random data and a		
4	unique internal identifier; and		
5	reiteratively decrypting blocks of the cipher text using the decryption key, the		
6.	percentage of random data, the unique internal identifier and a varying internal state of the		
7	computing device to recover corresponding blocks of plain text.		
1	20.	The method of claim 19, wherein the internal state of the computing device varies	
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over continuously over time.